Economic Welfare in the Soviet Union: Poverty, Living Standards, and Inequality. by Alastair McAuley
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Although Soviet housing law has been previously discussed by John Hazard, Vladimir Gsovski, Bernard Rudden, and most recently by Donald Barry, the author provides a historical overview, brings the subject up to date, and makes useful comparisons with common law practices. His strength lies in careful and meticulous scholarship, his weakness in his narrow legalistic focus. He does not sufficiently alert the reader to the fact that housing remains the USSR's most serious consumer problem despite an active building program, that in the second half of the 1970s approximately 30 percent of Soviet citizens in urban areas still lived in communal apartments or in factory dormitories, that most newlyweds may have to wait a decade or more before moving into a dwelling of their own, and that the housing shortage would be even more acute if the millions living beyond the city limits were not denied legal permission (*propiska*) to move into large urban centers. (So far Western scholars of Soviet housing law have not included *propiska* regulations in their analyses, a serious omission in this reviewer's opinion.)

The severe housing shortage greatly inflates the importance of housing laws and the power of party and government bureaucrats who apply them. The Soviet experiment, which has sought to treat "land and housing not as commodities and objects of private investment and commerce but as a means of provision by the state for the basic need for living accommodations" (p. 191), has not been very successful, with the result that, of all industrialized societies, Soviet citizens are still the most poorly housed.

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ECONOMIC WELFARE IN THE SOVIET UNION: POVERTY, LIVING STANDARDS, AND INEQUALITY. By *Alastair McAuley*. Madison and Herts, England: University of Wisconsin Press and George Allen & Unwin, 1979. xx, 389 pp. $25.00.

This study of incomes in the Soviet Union in the postwar period is a first-rate piece of scholarship. The book makes an important contribution to our knowledge about an area of Soviet life about which Soviet sources are notably reticent and the published data obscure. The author first assembles and evaluates available data relating to trends in total money incomes and earnings from wages and the prevalence of poverty in the USSR as a whole. Three valuable chapters assess the size, trend, and sources of income differentials among the USSR's fifteen republics. Another chapter meticulously evaluates the fragmentary and highly unsatisfactory statistics relating to the degree and direction of change in the personal distribution of money incomes and wages. Other chapters describe the theory and system of wage determination and the provisions of Soviet welfare programs—cash transfers via pensions and aid, as well as services provided without direct charge or at subsidized prices, such as education, health, and housing.

McAuley argues that, in contrast to the Stalin era, since the mid-1950s Soviet leaders have been willing to espouse policies aimed at eliminating poverty and reducing differences in incomes. The heightened concern with traditional socialist goals has been reflected in changes in data collection and planning, an upsurge of research in these areas, and major reforms in wages and social benefits.

McAuley's evidence shows that the government's new approaches have met with considerable success, but that the Soviet welfare state has a long way yet to go before it can match even its own internal criteria, to say nothing of levels of living achieved in the West. Real per capita disposable incomes have risen rapidly in recent decades, but from very low levels. As a result of explicit price and wage policies, incomes of collective farmers have increased much more rapidly than those of the

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state labor force, thus greatly reducing the once huge gap in living standards of the two classes. On the other hand, no progress has been made (at least during the 1960s, to which the data pertain) in reducing the sizable differences in per capita incomes among republics, in part because of demographic factors. Large increases in the minimum wage and in pensions, along with policies affecting agricultural incomes, have produced a marked reduction in the degree of inequality in the distribution of money incomes, essentially as a result of "leveling up" of incomes. Despite these gains, substantial poverty exists in urban as well as in rural areas. McAuley's data show that, in 1967–68, about two-fifths of the population were living in families with incomes below the poverty line—fifty rubles per capita per month by the Soviet government's own standard. On that measure, a majority of the population in the five republics of Transcaucasia and Central Asia lived in poverty. The limited evidence available suggests, not surprisingly, that poor families tend to be those with one wage earner and many dependents. The Soviet government's belated adoption of a system of family allowances in 1974 is tacit recognition of the fact that the problem was not being met by raising minimum wages and pensions alone.

McAuley deserves much praise for the meticulous care with which he presents and analyzes his data. He is careful to point out the unknowns and ambiguities in the published statistics, as well as his own assumptions. Especially noteworthy is his discussion of the shortcomings of available data relating to the distribution of personal money incomes. A series of appendixes explains in detail the derivation of the estimates that underlie the discussion in the text.

A few minor flaws and errors need to be addressed. First, in the discussion of the change in levels of living for the USSR as a whole, one is puzzled that McAuley did not use the indexes of real per capita consumption that Western scholarship has produced (Bergson and Chapman for 1928–58 and Schroeder and Severin for 1950–76). These indexes measure real consumption of all goods and services, including income in kind and state-provided health and education. This omission may be the source of some confusion about real flows and money flows that one finds on pages 26–27 and pages 46–48. Finally, the latest reform of wages and salaries was completed in 1979, not in 1976 as stated (on page 210). But these are minor flaws in a most valuable addition to the scholarly literature on Soviet living standards.

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MARX'S ECONOMICS: A DUAL THEORY OF VALUE AND GROWTH. By *Michio Morishima*. New York and London: Cambridge University Press, 1973. viii, 198 pp. $13.95.

The purpose of this book is to view Marx's economics through the prism of modern economic theory and thus, it is hoped, overcome the sterile distinction between Marxist and non-Marxist economists, incorporate Marx's important contributions to economics within mainstream theory, and assess Marx's work from a contemporary point of view. The author considers Marx a major economist. Marx developed a macrodynamic model and is one of the contributors to the Marx-von Neumann model. The recently discovered factor-price frontier is one of his tools. All in all, there are ample grounds "to recommend Marx as a purely academic economist for one of the very few chairs with the highest authority" (p. 3).

The traditional methods by which Western economists have dealt with Marx are either to ignore him or to treat him as a minor, and muddleheaded, figure. This book (along with Joan Robinson's *An Essay in Marxian Economics*, 1942) is one of the few works by a major Western economic theorist that treats Marx as a serious economist who contributed a great deal to the subject.

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